

An Overview of Hancock County's 2010 Annual Trending

April 26, 2010

The following steps were taken to conduct the 2010 annual trending in Hancock County:

Step 1: Re-Delineation of Neighborhoods

The vast majority of neighborhoods in Hancock County were completely re-examined and, where necessary, re-delineated for annual trending in 2006. Additional re-delineation of some neighborhoods has occurred each year thereafter as further analysis indicated such action was appropriate. This includes the creation of new neighborhoods, splitting neighborhoods apart, and the combination of neighborhoods as well. This portion of trending included all property classes. Some new neighborhoods were established for new construction and/or to establish more accurate assessments.

Step 2: Calculation of New Land Values

New land values were calculated for 2008. For residential property, only a small number of neighborhoods required a new land rate. For commercial and industrial properties, land values generally stayed consistent between January 1, 2006 and March 1, 2010. For commercial and industrial properties, no adjustments were made as sales data did not indicate the necessity of any update.

Step 3: Calculation of New Residential Factors & Residential Studies

Per 50 IAC 14, a preliminary ratio study was conducted for vacant and improved residential at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Hancock County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. This resulted in the calculation of new neighborhood factors for a small number of neighborhoods.

Step 4: Updated Commercial & Industrial Improvement Values

Nexus Group 2010 cost tables were implemented in Hancock County for 2010 trending. These costs are essentially our 2008 costs with 4 exceptions which include: dining lounges, mobile home parks, banks, and special use commercial properties. These 4 property types experienced a positive change in value. Additionally, the depreciation year was also updated to 3/1/2010. This depreciation change resulted in value changes for commercial and industrial parcels that are not maximized on depreciation at 80%. Additionally, reassessment and other field work have potentially changed the value of individual parcels.

****Please note that the period of time from which sales were used for this ratio study was from 1/1/2009 to 2/28/2010. Every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for vacant industrial property in Hancock County, even going back to 2002, no additional sales data was yielded. Additionally, the ratio study file contains a list of all valid sales that upon further review were found to actually be invalid. These sales are located at the bottom of each worksheet tab for each property class type. Sales outside of the 14 month time period were time adjusted using the Federal Housing Finance Authority's November 24, 2009 memorandum on house price appreciation/depreciation. This document can be accessed via the internet at <http://www.fhfa.gov/webfiles/15232/3q09HPI.pdf>.**

